

EXHIBIT 11
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HB 82

HB0082
Revise Deposit of Stranded 9-1-1 Revenue

Proponent Testimony by Becky Berger
Information Technology Services Division (ITSD)
Department of Administration
444-1966

Before the
House Federal Relations, Energy, and Telecommunications Committee
January 12, 2009

Mr. Chairman, members of the committee, for the record my name is Becky Berger. I am the 9-1-1 Program Manager in the Information Technology Services Division (ITSD), within the Department of Administration. The Statewide 9-1-1 Program is administered by the Department. With me today is Jeff Brandt an analyst with ITSD.

The purpose of this legislation is to update the 9-1-1 statute as recommended in a Legislative Audit Division Performance Audit in November 2007.

This change reduces the percent to fund the 9-1-1 Program Office from 3.74% to 2.74%; ensures all administrative 9-1-1 fees are deposited in a 9-1-1 special revenue account and allows any unused Program Office funds at the end of a fiscal year to be transferred evenly to the four 9-1-1 accounts to be distributed to the 9-1-1 jurisdictions and wireless service providers.

Current statute provides the Department of Administration 3.74% of the 9-1-1 revenues to pay for program administrative costs. In the late 1990's the Legislative Finance Committee (LFC) reviewed all statutory appropriations and earmarked funds. A LFC sponsored bill was prepared and approved during the 1997 session (HB166) that eliminated funding of a number of state programs using statutory appropriations, including the administrative 911 fund and deposited the funds in the general fund.

Remittance of 9-1-1 fees and corresponding general fund deposits have outpaced the budget appropriation established for the 9-1-1 program resulting in "stranded" 9-1-1 funds left in the general fund. The LAD performance audit recommended the legislature revise state law to ensure all 9-1-1 surcharge revenues are only used for 9-1-1 system development and operations.

Recent federal legislation confirmed that state and local authorities may impose and collect 9-1-1 fees provided that the fees are being used for their intended purpose. The Act requires the FCC to report annually to Congress on the status of the imposition and collection of 9-1-1 fees in the states, including if fees are being used for purposes not provided for in the statute adopting the fee.

Other federal legislation requires any state or local jurisdiction that diverts 9-1-1 fees to be ineligible for federal funding. In recent years, private grants and federal funding have contributed significantly to the progress of our deployment of enhanced landline and wireless 9-1-1 in Montana. We have received almost \$4 million in federal and private funding for projects currently underway. We want to continue to be eligible for these kinds of funding opportunities.

This proposal will ensure that all 9-1-1 fees collected from citizens go to providing 9-1-1 services and administering the program. We believe that the legislative intent of the original 9-1-1 legislation was that all 9-1-1 fees go to providing 9-1-1 services.

There will be no increase in FTEs and the proposal has been endorsed by the 9-1-1 Advisory Council.

I urge your support for this legislation. I am available to answer any questions.

Thank you.